

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

March 24, 2004

IN RE:

**PETITION OF TELEGLOBE AMERICA INC.
FOR AUTHORITY TO IMPLEMENT INTERNAL
CORPORATE CHANGES**

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**DOCKET NO.
04-00031**

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Director Pat Miller, Director Sara Kyle, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on February 23, 2004 for consideration of the Petition of Teleglobe America, Inc. ("TAI") for TRA approval of a transfer of authority to provide telecommunications services as required under Tenn. Code Ann. § 65-4-113.¹

Tenn. Code Ann. § 65-4-113

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain TRA approval to transfer its authority to provide utility services (also known as a "certificate of public convenience and necessity" or "CCN"). Tenn. Code Ann. § 65-4-113(a) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

¹ TAI originally filed its petition for approval pursuant to Tenn Code Ann § 65-4-112, however it was determined that the Authority would consider approval of the petition pursuant to Tenn Code Ann § 65-4-113

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

Background

TAI is a wholly-owned subsidiary of Teleglobe International Holdings Ltd. ("Teleglobe") through several intermediate holding companies. TAI's immediate parent company is TLGB Netherlands Holdings B.V. ("Teleglobe Netherlands"). TAI received its authority to provide telecommunications services in the state of Tennessee through a merger with a certificated subsidiary of TAI.²

The Petition

In the Petition, which was filed with the TRA on January 23, 2004, TAI outlines a series of transactions resulting in the following: (1) the creation of two additional subsidiaries of Teleglobe, including ITXC Corp. which will become the new immediate parent company of TAI, (2) the offering for public trading of 28% of the common stock of Teleglobe's immediate subsidiary, and (3) Teleglobe becoming the majority, rather than sole, owner of its subsidiaries and changing its name to Teleglobe Bermuda Holdings Ltd. After completion of the transactions, ultimate majority ownership of TAI will remain with Teleglobe, which will also retain ultimate majority ownership of TAI's Tennessee CCN. TAI will continue to be the

² The TRA approved this merger of TAI and Teleglobe USA LLC ("TUSA") on October 16, 2003 in TRA Docket No. 03-00470. TUSA received its authority to provide telecommunications services in Tennessee on July 13, 1998 in TRA Docket No. 98-00032

direct holder of its own CCN and will still be the actual provider of telecommunications services; however, because the transactions will result in a *pro forma* transfer of the CCN, TAI is seeking the approval of the TRA.

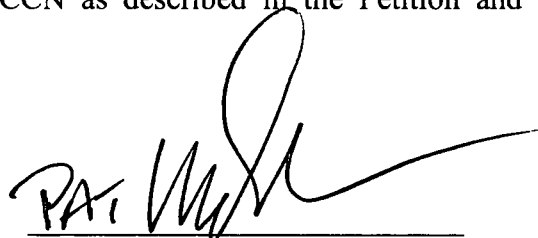
According to the Petition, the transactions will be seamless to the customers of TAI and will result in no changes in the terms, rates, or conditions of service or the day-to-day operations of the certificated Company. Moreover, the Parties propose to serve the public interest through these transactions by increasing the structural flexibility of the Teleglobe companies and by improving access to sources of additional financing which is expected to allow TAI to become a more competitive provider of telecommunications services and to more effectively meet the needs and demands of its customers.

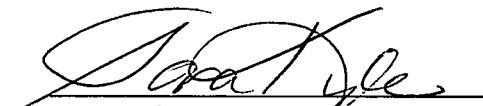
The February 23, 2004 Authority Conference

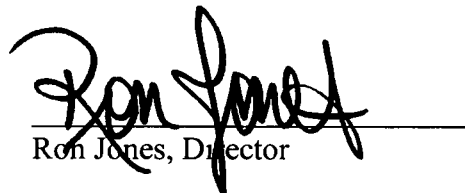
At the February 23, 2004 Authority Conference, the Directors voted unanimously to approve the Petition.

IT IS THEREFORE ORDERED THAT:

The proposed *pro forma* transfer of TAI's CCN as described in the Petition and discussed herein is approved.


Pat Miller, Director


Sara Kyle, Director


Ron Jones, Director